

**Introduced by Senator Berryhill**February 6, 2014

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An act to amend Section 10072 of the Welfare and Institutions Code, relating to public social services.

## LEGISLATIVE COUNSEL'S DIGEST

SB 947, as introduced, Berryhill. Electronic benefits transfer system.

Existing law, administered by the State Department of Social Services, provides for the establishment of a statewide electronic benefits transfer (EBT) system for the purpose of providing financial and food assistance benefits to needy Californians. Existing law requires that the system have a 24-hour per day toll-free telephone hotline for the reporting of lost or stolen cards and to provide recipients with information about how to have the card and personal identification number replaced.

This bill would make nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 10072 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 10072. The electronic benefits transfer system required by this
- 4 chapter shall be designed to do, but not be limited to, all of the
- 5 following:
- 6 (a) To the extent permitted by federal law and the rules of the
- 7 program providing the benefits, recipients who are required to
- 8 receive their benefits using an electronic benefits transfer system
- 9 shall be permitted to gain access to the benefits in any part of the

1 state where electronic benefits transfers are accepted. All electronic  
2 benefits transfer systems in this state shall be designed to allow  
3 recipients to gain access to their benefits by using every other  
4 electronic benefits transfer system.

5 (b) To the maximum extent feasible, electronic benefits transfer  
6 systems shall be designed to be compatible with the electronic  
7 benefits transfer systems in other states.

8 (c) All reasonable measures shall be taken in order to ensure  
9 that recipients have access to electronically issued benefits through  
10 systems such as automated teller machines, point-of-sale devices,  
11 or other devices that accept electronic benefits transfer transactions.  
12 Benefits provided under Chapter 2 (commencing with Section  
13 11200) of Part 3 shall be staggered over a period of three calendar  
14 days, unless a county requests a waiver from the department and  
15 the waiver is approved, or in cases of hardship pursuant to  
16 subdivision (I).

17 (d) The system shall provide for reasonable access to benefits  
18 to recipients who demonstrate an inability to use an electronic  
19 benefits transfer card or other aspect of the system because of  
20 disability, language, lack of access, or other barrier. These  
21 alternative methods shall conform to the requirements of the  
22 Americans with Disabilities Act (42 U.S.C. Sec. 12101, et seq.),  
23 including reasonable accommodations for recipients who, because  
24 of physical or mental disabilities, are unable to operate or otherwise  
25 make effective use of the electronic benefits transfer system.

26 (e) The system shall permit a recipient the option to choose a  
27 personal identification number, also known as a “PIN” number,  
28 to assist the recipient to remember his or her number in order to  
29 allow access to benefits. Whenever an institution, authorized  
30 representative, or other third party not part of the recipient  
31 household or assistance unit has been issued an electronic benefits  
32 transfer card, either in lieu of, or in addition to, the recipient, the  
33 third party shall have a separate card and personal identification  
34 number. At the option of the recipient, he or she may designate  
35 whether restrictions apply to the third party’s access to the  
36 recipient’s benefits. At the option of the recipient head of  
37 household or assistance unit, the county shall provide one electronic  
38 benefits transfer card to each adult member to enable them to  
39 access benefits.

1 (f) The system shall have a 24-hour per day toll-free telephone  
2 hotline for the reporting of lost or stolen cards and ~~that will to~~  
3 provide recipients with information ~~on~~ *about* how to have the card  
4 and personal identification number replaced.

5 (g) (1) A recipient shall not incur any loss of electronic benefits  
6 after reporting that his or her electronic benefits transfer card or  
7 personal identification number has been lost or stolen. The system  
8 shall provide for the prompt replacement of lost or stolen electronic  
9 benefits transfer cards and personal identification numbers.  
10 Electronic benefits for which the case was determined eligible and  
11 that were not withdrawn by transactions using an authorized  
12 personal identification number for the account shall also be  
13 promptly replaced.

14 (2) A recipient shall not incur any loss of cash benefits that are  
15 taken by an unauthorized withdrawal, removal, or use of benefits  
16 that does not occur by the use of a physical EBT card issued to the  
17 recipient or authorized third party to directly access the benefits.  
18 Benefits taken as described in this paragraph shall be promptly  
19 replaced in accordance with the protocol established by the  
20 department pursuant to paragraph (3).

21 (3) The State Department of Social Services shall establish a  
22 protocol for recipients to report electronic theft of cash benefits  
23 that minimizes the burden on recipients, ensures prompt  
24 replacement of benefits in order to minimize the harm to recipients,  
25 and ensures program integrity. This protocol may include the  
26 automatic replacement of benefits without the need for recipient  
27 reporting and verification.

28 (h) Electronic benefits transfer system consumers shall be  
29 informed ~~on~~ *about* how to use electronic benefits transfer cards  
30 and how to protect them from misuse.

31 (i) Procedures shall be developed for error resolution.

32 (j) ~~No~~ A fee shall *not* be charged by the state, a county, or an  
33 electronic benefits processor certified by the state to retailers  
34 participating in the electronic benefits transfer system.

35 (k) Except for CalFresh transactions, a recipient may be charged  
36 a fee, not to exceed the amount allowed by applicable state and  
37 federal law and customarily charged to other customers, for cash  
38 withdrawal transactions that exceed four per month.

39 (l) A county shall exempt an individual from the three-day  
40 staggering requirement under subdivision (c) on a case-by-case

- 1 basis for hardship. Hardship includes, but is not limited to, the
- 2 incurrence of late charges on an individual's housing payments.

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